



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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June 10, 2016

TO: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Joseph Kelly *JK (b)*
Treasurer and Tax Collector

SUBJECT: 2016-17 TAX AND REVENUE ANTICIPATION NOTES

This memorandum is to advise you that my office successfully priced \$800 million of Tax and Revenue Anticipation Notes ("TRANs") on Wednesday, June 8, 2016, at a borrowing cost of 0.67%. The 2016-17 TRANs were authorized by your Board on May 10, 2016, as a necessary component of the County's cash management program. The 2016-17 TRANs was issued as a single series of notes that will mature on June 30, 2017.

The successful pricing of the 2016-17 TRANs was accomplished in a less favorable market environment compared to recent years, with higher short-term interest rates and the pending implementation of Federal regulatory reforms to money market funds, which has reduced the demand from traditional buyers of the County TRANs. Despite the more challenging market conditions, the 2016-17 TRANs was oversubscribed with the County receiving over \$1 billion in orders from a broad base of investors.

In connection with the sale of the 2016-17 TRANs, the County again received the highest short-term ratings from each of the three major credit rating agencies. Fitch Ratings, Moody's Investors Service and Standard and Poor's assigned ratings of F1+, MIG 1, and SP-1+, respectively. Each of the rating agencies cited the improving local economy, rising property tax revenue, strong financial reserves and the County's conservative management practices as positive factors in their ratings determinations.

Should you have any questions regarding the sale of the 2016-17 TRANs, please contact me directly or have your staff contact John Patterson, Senior Finance Analyst of my staff at (213) 974-2310 or jpatterson@ttc.lacounty.gov.

JK:JP:BS:pab
Pb/brdmemo/2016-17trans

c: Chief Executive Officer
Auditor-Controller
County Counsel
Executive Officer, Board of Supervisors